to the existing Laws and regulation of production, if any, would depend upon the market conditions. In accordance with the Government policy, every effort will be made to protect the interests of employees.

Modern Food Industries Losses

† l585. SHRI D. P. YADAV: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the losses in Modern Food Industries are rising after its disinvestment last year;

(b) whether no improvement has taken place in the condition of the employees even after disinvestment; and

(c) if so, the reasons therefor?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Prior to disinvestment, Modern Food Industries (India) Limited (MFIL) incurred a loss of Rs. 6.86 crores during 1998-99 and the downslide was continuing. The loss for the 10 months period ending 31.01.2000 has been estimated at Rs. 11.20 crores approximately.

After the disinvestment and handing over of management control of the Company on 31st January, 2000, the steps taken by new mangement include: improvement in work practices, training to personnel in occupational/product safety, improvement in the quality of bread, improvement of Brand image (which had been severely eroded during the pre-disinvestment period), improvement of hygiene, undertaking of plant repairs, modernisation of process equipment and building the market. As a result of these efforts, the steeply declining trend in sales has not only been contained but the bread sales have grown by nearly 40 per cent. The new management has drawn up further market plans for increasing the sales to maximize capacity utilization at various units across the country and the Company is likely to turn around after implementation of these plans.

(b) The staff regulations governing the service conditions of the employees continue to operate. The management has allowed

† Original notice of the question was received in Hindi.

substantial interim relief to the employees, which would not have been possible had the company remained a PSU, because as per guidelines/directions, the revised pay scales/wages or interim relief therefor could not have been released as MFIL was a loss making company having no resources to bear the burden on its own. Release of interim relief by the new management has thus improved the lot of employees after disinvestment.

(c) Does not arise.

Objection of the Ministries to Disinvestment

1586. PROF. M. SANKARALINGAM: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether there is any rationale behind the objection of the Ministries to disinvestment;

(b) if so, the details thereof;

(c) whether Government have fixed any time-frame to disinvest the shares of undertakings; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) Government considers the views of the concerned departments' ministries on specific proposals of disinvestment in various PSUs through inter ministerial consultations at various levels. Ministries often suggest amendments and improvements to specific proposals. The final decision is taken by the Cabinet Committee on Disinvestment—in the meetings of which the concerned administrative ministries invariably participate. There is no disagreement on the policy of disinvestment.

(c) and -(d) For every transaction, a tentative time table is agreed to. However, the actual timing of, disinvestment in a company depends on various factors like market conditions, financial performance of the company, terms and conditions of sale, interest shown by the investors/buyers and the advice of the Advisors to the Government.